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Health And Welfare Trust Fund for Northern California, et al.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

OPERATING ENGINEERS' HEALTH AND
WELFARE TRUST FUND FOR NORTHERN
CALIFORNIA; RUSSELL E. BURNS and JAMES
E. MURRAY, Trustees;

PENSION TRUST FUND FOR OPERATING
ENGINEERS; RUSSELL E. BURNS and JAMES E.
MURRAY, Trustees;

PENSIONED OPERATING ENGINEERS'
HEALTH AND WELFARE TRUST FUND;
RUSSELL E. BURNS and JAMES E. MURRAY,
Trustees;

OPERATING ENGINEERS AND PARTICIPATING
EMPLOYERS PRE-APPRENTICE, APPRENTICE
AND JOURNEYMEN AFFIRMATIVE ACTION
TRAINING FUND; RUSSELL E. BURNS and
JAMES E. MURRAY, Trustees;

OPERATING ENGINEERS LOCAL UNION NO. 3
VACATION, HOLIDAY AND SICK PAY TRUST
FUND; RUSSELL E. BURNS and JAMES E.
MURRAY, Trustees;

HEAVY AND HIGHWAY COMMITTEE;

NORTHERN NEVADA OPERATING
ENGINEERS' HEALTH AND WELFARE TRUST
FUND; STEVE INGERSOLL and CRAIG
MADOLE, Trustees;

OPERATING ENGINEERS AND PARTICIPATING
EMPLOYERS PRE-APPRENTICE, APPRENTICE,

Case No.

COMPLAINT

AND JOURNEYMEN AFFIRMATIVE ACTION
TRAINING FUND FOR NORTHERN NEVADA,
STEVE INGERSOLL and CRAIG MADOLE,
Trustees; and

OPERATING ENGINEERS LOCAL 3 OF THE
INTERNATIONAL UNION OF OPERATING
ENGINEERS, AFL-CIO,

Plaintiffs,

v.

TYRRELL RESOURCES, INC., a California
corporation, CHERYL TYRRELL, an individual,

Defendants.

Parties

1. The Operating Engineers' Health and Welfare Trust Fund for Northern California (which includes the Addiction Recovery Program, Inc.) ("Health Fund"); Pension Trust Fund for Operating Engineers (which includes the Pension Plan for the Pension Trust Fund for Operating Engineers, the Rehabilitation Plan, and the Operating Engineers Annuity Plan) ("Pension Plan"); Pensioned Operating Engineers' Health and Welfare Trust Fund ("Pensioned Health Fund"); Operating Engineers and Participating Employers Pre-apprentice, Apprentice and Journeymen Affirmative Action Training Fund ("Affirmative Action Training Fund"); the Operating Engineers Local Union No. 3 Vacation, Holiday and Sick Pay Trust Fund ("Vacation Fund"); Operating Engineers' Health and Welfare Trust Fund for Northern Nevada ("Health Fund for Northern Nevada"); Operating Engineers and Participating Employers Pre-Apprentice, Apprentice and Journeyman Affirmative Action Training Fund ("Affirmative Action Training Fund for Northern Nevada") (collectively referred to hereinafter as the "Trust Funds"), are employee benefit plans as defined in the Employee Retirement Income Security Act of 1974 ("ERISA") § 3(3), 29 U.S.C. § 1002(3). Russell E. Burns and James E. Murray are Co-Chairmen of the Joint Boards of Trustees of the Health Fund, Pension Fund, Pensioned Health Fund, and Affirmative Action Training Fund and have authority to act on behalf of all Trustees of those Funds. Russell E. Burns and James E. Murray are Co-Chairmen of the Joint Boards of Trustees of the Vacation Fund and have authority to act on behalf of all Trustees of the Vacation Fund. Steve Ingersoll and Craig Madole are Co-Chairmen of the Health Fund for Northern Nevada and the Affirmative Action Training

1 Fund for Northern Nevada and have authority to act on behalf of all Trustees of all Trustees of those
2 Funds. The Trust Funds and their fiduciaries are together referred to herein as "ERISA Plaintiffs" or
3 "Plaintiffs."

4 2. The Heavy and Highway Committee is a Trust established under the Labor Management
5 Relations Act ("LMRA"), 302(c)(9), 29 U.S.C. § 186(c)(9).

6 3. Operating Engineers Local Union No. 3 of the International Union of Operating
7 Engineers, AFL-CIO ("Union") is a labor organization as defined in § 2(5) of the National Labor
8 Relations Act ("NLRA"), 29 U.S.C. § 152(5), and is represented by counsel herein for the limited
9 purpose of collecting union dues owing as part of the subject contribution claims of Plaintiffs, and not
10 for any other cause of action. The Union expressly reserves its rights to pursue any other cause of action
11 on its own behalf.

12 4. TYRRELL RESOURCES, INC., a California corporation, ("Defendant"), and CHERYL
13 TYRRELL, an individual (collectively, "Defendants"), are employers by virtue of ERISA § 3(5), 29
14 U.S.C. § 1002(5), and NLRA § 2(2), 29 U.S.C. § 152(2).

15 Jurisdiction

16 5. Jurisdiction exists in this Court over the claims asserted by ERISA Plaintiffs by virtue of
17 ERISA § 502, 29 U.S.C. § 1132, in that Plaintiffs seek to enforce the provisions of ERISA and the terms
18 of their plans, seek to enjoin the acts and practices which violate ERISA, seek equitable relief to redress
19 such violations, and seek all other appropriate relief under ERISA.

20 6. Jurisdiction exists in this Court over all the claims by virtue of LMRA § 301, 29 U.S.C. §
21 185, in that Plaintiffs seek to enforce the terms and conditions of a valid Bargaining Agreement.

22 7. To the extent jurisdiction over any claim does not exist under ERISA or the LMRA,
23 supplemental jurisdiction exists in this Court over such claims by virtue of 29 U.S.C. § 1367 in that they
24 arise out of a common nucleus of operative facts that form the basis of the federal claims asserted
25 herein, each of which has a substantial ground in federal jurisdiction.

26 Venue

27 8. Venue is conferred upon this Court by ERISA § 502, 29 U.S.C. § 1132. Where an action
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1 is brought under ERISA § 502 in a district court of the United States, it may be brought at Plaintiffs’
 2 discretion, in the district where the plan is administered, where the breach took place, or where a
 3 defendant resides or may be found, and process may be served in any other district where a defendant
 4 resides or may be found. ERISA Plaintiffs’ Trust Funds are administered in this district at their principal
 5 place of business in Alameda, California. Thus, jurisdiction and venue are properly grounded with this
 6 Court.

7 9. Venue exists in this Court with respect to the claims under LMRA § 301(a), 29 U.S.C. §
 8 185, as this Court has jurisdiction over the parties, as the Union maintains its principal place of business
 9 in this district, its duly authorized officers or agents are engaged in representing employee members in
 10 this district, and the claims arise in this district.

11 Intradistrict Assignment

12 10. The basis for assignment of this action to this Court’s Oakland Division is that all of the
 13 events and omissions giving rise to Plaintiffs’ claims occurred in the County of Alameda, where ERISA
 14 Plaintiffs’ Funds and the Bargained Plans are administered, and where Defendant therefore failed to
 15 fulfill its statutory and contractual obligations to Plaintiffs.

16 Bargaining Agreement

17 11. Defendants entered into the Independent Northern California Construction Agreement (the
 18 “California Independent Agreement”) with the Union, which incorporates the Master Agreement for
 19 Northern California (“California Master Agreement”) between the Union and the Signatory
 20 Associations. Defendants also entered into the Independent Northern Nevada Construction Agreement
 21 (“the Nevada Independent Agreement”) (collectively, the “Independent Agreements”) which
 22 incorporates the Master Agreement for Northern Nevada (“Nevada Master Agreement”; collectively, the
 23 “Master Agreements”) between the Union and the Signatory Associations. Under the Independent
 24 Agreements, Cheryl Tyrrell personally guaranteed all amounts claimed herein. The Independent
 25 Agreements and Master Agreements are collectively referred to hereinafter as the “Bargaining
 26 Agreements.” The Bargaining Agreements, which incorporate the terms of the respective Trust
 27 Agreements establishing the Trust Funds (“Trust Agreements”), require Defendant to provide employer
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1 contributions to Plaintiffs' Trust Funds, to the Union for union dues, and to the other plans more fully
2 described in the Bargaining Agreements. ERISA Plaintiffs are third-party beneficiaries of the
3 Bargaining Agreements.

4 12. Under the terms of the Bargaining Agreements, and Trust Agreements incorporated
5 therein, Defendant is required to pay certain contributions to the Construction Industry Force Account;
6 Contract Administration Fund; Job Placement Center and Market Area Committee Administration
7 Market Preservation Fund; Operating Engineers Industry Stabilization Trust Fund; and Business
8 Development Trust Fund (including the California Alliance for Jobs) (together referred herein as
9 "Bargained Plans"). Plaintiffs' Boards of Trustees are assigned under the Bargaining Agreements to
10 receive and administer monies due to these Bargained Plans.

11 13. Under the California Independent Agreement and the Trust Agreement, which is
12 incorporated into the California Master Agreement and made binding on Defendant, Defendant is
13 required to regularly pay to ERISA Plaintiffs, the Bargained Plans, and the Union, certain sums of
14 money, the amounts of which are determined by the hours worked by Defendant's employees.
15 Contributions are due on the fifteenth (15th) day of the month following the month in which hours were
16 worked, and are considered delinquent if not received by the twenty-fifth (25th) day of that month.
17 Defendant is also required, pursuant to the Bargaining and Trust Agreement, to pay liquidated damages
18 in the amount of ten percent (10%) for each delinquent contribution, but in the amount of twenty percent
19 (20%) for each delinquent contribution which is the subject of litigation. Moreover, the California
20 Master Agreement and Trust Agreement provide that interest accrues on delinquent contributions at the
21 rates reasonably set by the Trustees from the date they become delinquent, which is the twenty-sixth
22 (26th) day of the month in which payment was due, until paid in full.

23 14. Under the Nevada Independent Agreement and the Trust Agreement, which is
24 incorporated into the Nevada Master Agreement and made binding on Defendant, Defendant is required
25 to regularly pay to ERISA Plaintiffs, the Bargained Plans, and the Union, certain sums of money, the
26 amounts of which are determined by the hours worked by Defendant's employees. Contributions are due
27 on the fifteenth (15th) day of the month following the month in which hours were worked, and are
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1 considered delinquent if not received by the twenty-fifth (25th) day of that month. Defendant is also
2 required, pursuant to the Nevada Master Agreement and Trust Agreement, to pay liquidated damages in
3 the amount of thirty-five dollars (\$35.00) or twelve percent (12%) for each delinquent contribution.
4 Moreover, the Nevada Master Agreement and Trust Agreement provide that interest accrues on
5 delinquent contributions at the rates reasonably set by the Trustees from the date they become
6 delinquent, which is the twenty-sixth (26th) day of the month in which payment was due, until paid in
7 full

8 15. The Bargaining and Trust Agreements further require Defendant to maintain time records
9 or time cards, and to permit an authorized Trust Fund representative to examine such records of
10 Defendant as are necessary to determine whether Defendant has made full payment of all sums owed to
11 ERISA Plaintiffs. Should an audit of Defendant's records reveal Defendant has failed to provide full and
12 prompt payment of all sums due to Plaintiffs, Defendant must reimburse Plaintiffs for the amounts due,
13 including audit fees, in addition to any other obligations pursuant to the Bargaining and Trust
14 Agreements.

15 Factual Allegations

16 16. Defendant has failed and refused to fully pay contributions for hours worked by its
17 employees during the months of April 2017. Liquidated damages and interest have been incurred and are
18 owed to Plaintiffs for the unpaid contributions for the month of April 2017 as well as those incurred on
19 Defendant's late-paid contributions for the months of April 2015, May 2015, September 2015, October
20 2015 through December 2015, January 2016, June 2016, August 2016 through December 2016, January
21 2017, March 2017, April 2017, July 2017, August 2017, October 2017, November 2017, January 2018
22 through April 2018, May 2018 and June 2018.

23 17. Plaintiffs are also entitled to recover any and all other contributions, and all liquidated
24 damages and interest on delinquent contributions not specified above, found due on timecards, audit, or
25 otherwise, including estimated contributions for any months Defendant fails to report to Plaintiffs,
26 through the time of Judgment. Plaintiffs reserve the right to conduct an audit to determine whether there
27 are any additional amounts due from Defendant.
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FIRST CAUSE OF ACTION
For Payment of Delinquent Contributions, Interest, Liquidated Damages,
Attorneys' Fees and Costs Against Defendant

18. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 17, above.

19. Defendant has a contractual duty to timely pay the required contributions to Plaintiffs and the Bargained Plans, and to timely pay dues to the Union, pursuant to the Bargaining Agreement and Trust Agreements. Defendant also has a contractual duty under the Bargaining Agreement and Trust Agreements to permit an audit of their records to determine whether they are making full and prompt payment of all sums required to be paid by them to Plaintiffs, and to pay Plaintiffs all amounts found due as a result of an audit, including audit fees.

20. In addition, Defendant has a statutory duty to timely make the required payments to Plaintiffs under ERISA § 515, 29 U.S.C. § 1145, and LMRA § 301(a).

21. By failing to make the required payments to Plaintiffs, Defendant breached the Bargaining and Trust Agreements and is in violation of ERISA § 515, 29 U.S.C. § 1145, and LMRA § 301(a).

22. Defendant's failure and refusal to pay the required contributions was at all times, and still is, willful. Defendant continues to breach the Bargaining Agreement, and incorporated Trust Agreements, by failing to pay all amounts owed as alleged. Said refusal is unjustified and done with knowledge and intent.

23. ERISA Plaintiffs are without an adequate remedy at law and will suffer continuing and irreparable injury, loss and damage unless Defendant is ordered specifically to perform all obligations required on Defendant's part to be performed under ERISA, 29 U.S.C. §§ 1101-1381, the LMRA, 29 U.S.C. §§ 141-197, and the Bargaining and Trust Agreements, and are restrained from continuing to refuse to perform as required thereunder.

24. This Court is authorized to issue injunctive relief based on the traditional standard. As set forth above, ERISA Plaintiffs have a strong likelihood of success on the merits. There is the possibility that ERISA Plaintiffs' Trust Funds and their participants will suffer irreparable injuries. The balance of hardships and advancement of public interest favor ERISA Plaintiffs.

25. This Complaint does not in any manner relate to statutory withdrawal liability that may or

1 may not be assessed against Defendant. ERISA Plaintiffs expressly reserve the right to pursue any such
 2 withdrawal liability claims against Defendant as provided by ERISA Plaintiffs' Plan Documents, Trust
 3 Agreements, and the law.

4 Prayer

5 WHEREFORE, Plaintiffs pray as follows:

6 1. For a judgment against Defendants as follows:

7 (a) Any unpaid contributions, due at time of Judgment, including those specified
 8 above as well as any other contributions determined as due by audit, timecards, or otherwise, including
 9 estimated contributions for any months Defendant fails to report to Plaintiffs, pursuant to ERISA §
 10 502(g)(2)(A), 29 U.S.C. § 1132(g)(2)(A);

11 i. To ERISA Plaintiffs and the Bargained Plans, in accordance with ERISA
 12 § 502(g)(2)(A), 29 U.S.C. § 1132(g)(2)(A) and the Bargaining Agreement;

13 ii. To the Union in accordance with the Bargaining Agreement.

14 (b) Liquidated damages on all late-paid and unpaid contributions in an amount
 15 provided for under the Bargaining and Trust Agreements, and with respect to ERISA Plaintiffs, ERISA
 16 § 502(g)(2)(c), 29 U.S.C. § 1132(g)(2)(c).

17 (c) Interest on all late-paid and unpaid contributions at the rates set in accordance
 18 with the Bargaining Agreement, the Trust Agreements, and ERISA § 502(g)(2)(B), 29 U.S.C. §
 19 1132(g)(2)(B).

20 2. Plaintiffs' reasonable attorneys' fees and costs of this action, including any audit fees, in
 21 accordance with ERISA § 502(g)(2)(D) and (E), 29 U.S.C. § 1132(g)(2)(D) and (E); and in accordance
 22 with the Bargaining Agreement for all Bargained Plans; and with LMRA § 301, 29 U.S.C. § 185, for all
 23 Plaintiffs.

24 3. For an order,

25 (a) requiring that Defendants comply with its/their obligations to Plaintiffs under the
 26 terms of the Bargaining Agreement and the Trust Agreements;

27 (b) enjoining Defendants from violating the terms of those documents and of ERISA;
 28

1 and,

2 (c) enjoining Defendants from disposing of any assets until said terms have been
3 complied with, and from continuation or operation of Defendant's business until said terms have been
4 complied with.

5 4. That the Court retain jurisdiction of this case pending compliance with its orders.

6 5. For such other and further relief as the Court may deem just and proper.
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8 DATED: August 10, 2018

SALTZMAN & JOHNSON LAW CORPORATION

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10 By: /S/
11 Michele R. Stafford
12 Attorneys for Operating Engineers' Health And
13 Welfare Trust Fund, et al.
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